

RESPONSE BY THE TRUST TO THE ISSUES RAISED AT THE PRESS CONFERENCE BY THE FORUM ON PAST CREDIT

The Management of Social Security and National Insurance Trust (SSNIT) refers to the press conference organized by the FORUM for Public Sector Registered Pension Schemes (The FORUM), on 25th November, 2019 and categorically denies all the accusations by the FORUM and wish to respond as follows:

1. That contrary to the claim by the Chairman of the FORUM, Mr. Isaac Bampoe Addo, the press release by the Management of the Trust on 12th September, 2019 is **NOT** misleading. The Trust maintains that, it has complied with the Agreement on the computation of Past Credits as set out in the 'Communique on the Report of the Ministerial Committee on outstanding issues relating to Tier-two Pension Funds for Public Sector Workers' (MOU) reached by all parties comprising the Ministry of Employment and Labour Relations, the Ministry of Finance, NPRA, SSNIT and the FORUM.
2. That in the Communique signed by the Minister for Finance and the Minister for Employment and Labour Relations on behalf of Government and Mr. Isaac Bampoe Addo and Dr. Justice Yankson on behalf of the FORUM, the following recommendations regarding Past Credits were made among others:
 - a. "That the formula for computation (captured in the findings under Past Credits) as agreed between NPRA and SSNIT should be accepted by all parties."
 - b. "Effective 1st January 2010, the prevailing 91-day Treasury Bill rate should be used to compute interest on the Past Credits every quarter and same made available to the Member on his Statement of Accounts."

From the aforementioned, it is clear that the recommendations/formula were accepted by all the parties, it is therefore surprising that the FORUM has come up with issues which are alien to the MOU that was signed by all parties including the FORUM.

3. In reference to the said directive by the NPRA, SSNIT has pointed out that such directive is inconsistent with a letter (NPRA/SSNIT/14/28/15) from the Authority to SSNIT dated 9th September, 2015. This letter confirmed NPRA's agreement to the formula/method for computation of Past Credit outlined in a paper titled 'Analysis of Past Credit Under Act 766', which the Trust submitted to the NPRA in 2015. This formula and NPRA's agreement therewith, was the result of extensive deliberations between the Trust and the Pension Reform Implementation Committee in accordance with section 94(1)(d) of the National Pensions Act, 2008, Act 766. This formula subsequently formed the basis for the MOU on Past Credit dated 24th November, 2017 which the FORUM was a signatory to.

The said directive is also inconsistent with section 94(1)(d) of the National Pensions Act, 2008, Act 766 which states that **“accrued or past service or past credits earned by every contributor to whom the new scheme applies in respect of the 25% lump sum benefit shall have the lump sum determined by a formula agreed between the Pension Reform Implementation Committee and the Trust based on actuarial assessment”** as well as the recommendations of the MOU stated in point 2 above. The Trust is therefore unable to implement any directive that is contrary to section 94(d) of the National Pensions Act, 2008, Act 766.

4. Management of the Trust further states emphatically that
 - a. 100% of the prevailing 91-day Treasury Bill rate is being used to compute interest on the Past Credits every quarter in consonance with the Agreement by the Ministry of Employment and Labour Relations, the Ministry of Finance, NPRA, SSNIT and the FORUM and same has been made available to Members on their Statements of Account.
 - b. The computation of Past Credits is based on the agreed formula and such Past Credits will be paid to Members who retire from January 1, 2020.
 - c. Contrary to the assertion by the FORUM, SSNIT is **NOT** using contributors' money to 'obstruct' the implementation of Tier 2. Currently, the Tier 2 scheme is being implemented and SSNIT is not against the implementation of the three-tier pension scheme. Management of the Trust remains focused on ensuring that it fulfills fully, its obligations under the National Pensions Act, 2008, Act 766.

- d. The Trust is fully committed to implementing Act 766 and the Agreement reached by all parties (including the FORUM) and **WILL** accurately and promptly pay all benefits due Members effective 1st January, 2020. In doing so, the Trust will always be guided by the long-term sustainability of the Scheme.

- e. The SSNIT Scheme is a social protection scheme and will at all times protect the welfare of its Members and **NOT** cheat them.

The Management of Trust assures the general public, especially Members of the Scheme and Pensioners that it will continue to compute and pay benefits in accordance with the law.

Issued by

Management of SSNIT

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